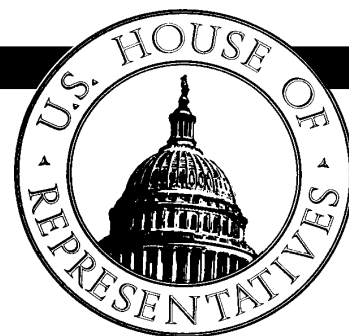




U.S. Representative
Bernie Sanders

"A Focus on Senior Citizen Issues"



Spring, 1998



Congress of the United States
House of Representatives
Washington, DC 20515

Dear Vermont Senior,

I have been troubled by recent reports in the media and statements from officials in Washington that senior citizens in this country are extremely well-off, living on high incomes from Social Security and enjoying completely free medical care. Some in Washington are using this myth to justify cutting Medicare, Medicaid, Social Security, veterans' needs and other seniors' programs.

In fact, the economic situation of most elderly people in our country is often very difficult. While some seniors are certainly well-off, many are struggling economically. Nearly half of all senior citizens have incomes of less than \$15,000 per year, and about 12% live in poverty.

Health care is a major expense for most seniors. Because of the rapid increase in health care costs over the last 25 years, the average senior today is spending more money out-of-pocket for health care than **before** Medicare was established. Prescription drugs alone are costing the average senior \$500 a year. As you are aware, Medicare does not cover prescription drugs and half of seniors have no prescription drug insurance.

Social Security remains terribly important for the millions of seniors it serves, half of whom would be forced to live in poverty without the program. That is why I am extremely troubled by proposals to cut back on the Social Security cost-of-living increase and efforts to privatize this vital program.

The United States is a great country, with enormous resources. If we get our priorities right, there is no reason why every senior citizen in this country should not be able to live out his or her life with dignity and security. The mark of a great country is not how well we treat the rich and the powerful. It is how well we treat the frail and the vulnerable. And, in that regard, we have a long way to go.

In order to do a better job in protecting the needs of senior citizens, seniors are going to have to work together and pay attention to what goes on in Congress, and how we can impact on the process.

If you, or anyone you know, have concerns or questions about Medicare, Medicaid, Social Security or other governmental programs, please do not hesitate to call my toll free number at 1-800-339-9834.

Sincerely,

Bernard Sanders

Member of Congress

Helping Senior Citizens

At a time when too many seniors in Vermont and across this country are forced to choose whether they will use their limited incomes to pay for the heat, groceries, rent or medicines they need, I believe it is important we improve and expand programs that serve seniors. As a result, I have been working on a number of legislative initiatives affecting seniors - including the Low-Income Home Energy Assistance Program (LIHEAP), senior nutrition programs, and seniors' access to prescription drugs.

Prescription Drugs: Sadly, tens of thousands of Vermont seniors are struggling to pay for their prescription drugs. With Rep. Patrick Kennedy, I have introduced legislation that would provide up to \$500 of assistance for prescription drug purchases to lower-income senior citizens. I am also sponsoring the Health Care R&D and Consumer Protection Act, which will ensure that drugs developed with taxpayer money - as many important new drugs are - will be sold back to senior citizens and others at reasonable prices, not outrageous markups as is too often the case today.

LIHEAP: In a great and wealthy nation such as ours, no senior citizen, child, or family should be forced to go cold in the winter. LIHEAP is an excellent, efficient program which last year helped over 25,000 Vermonters buy heating fuel and stay warm, including many seniors. It is such an important program for Vermont that I was outraged to learn that some of President Clinton's advisors were planning to cut the program's budget by 25%. I joined other LIHEAP supporters in contacting President Clinton and his budget advisors, and am pleased to report that they dropped their plan to cut LIHEAP. In fact, the President's budget requests a \$100 million increase in regular LIHEAP funds for next year.

Senior Nutrition Programs: As you may know, the Congregate Meals program serves hot and nutritious meals at senior centers, while the Meals-on-Wheels program delivers meals to home-bound senior citizens. These are superb programs which ensure that seniors have access to good quality food. Unfortunately, they are severely under-funded - 41% of Meals-on-Wheels programs nationwide, for example, have waiting lists of homebound seniors who need the program. Last year, I was successful in getting legislation passed in the House which would have increased the congregate meal program by \$5 million dollars. This year, I have introduced the Senior Nutrition Funding Act, to substantially increase funding for senior nutrition programs. Every senior in America should have enough food to eat, and I intend to see that happen.

Why I Voted Against the "Balanced Budget" Agreement

I am delighted that this year our country will not only have a balanced budget, but a slight surplus. We have come a long way since 1992 when the President and Congress ran up a \$290 billion deficit, and I'm proud of the role that I've played in reducing the deficit.

In my view, however, we must provide for a balanced budget in this country in a way that is fair - and that protects the interests of all the people. Unfortunately, the Balanced Budget Agreement of 1997 was skewed to benefit the wealthy at the expense of senior citizens and middle-class families - and I strongly opposed it. The 1997 Budget Agreement, while slashing Medicare by \$115 billion, veterans' needs by 19% and the administration of Social Security by 23% over five years, also cut taxes by \$130 billion over five years, largely for the very wealthy.

Tax Cuts: The tax bill provided more tax breaks for the richest 1% of the population than for the bottom 80%, and the average tax cut for middle-income families and individuals will be less than \$200. The richest 1%, however, will receive an average annual tax break of over \$16,000 each.

Medicare Cuts: The budget cut Medicare by \$115 billion, largely by reducing payments to hospitals and other health care providers. These cuts will lower the quality of care our seniors receive.

Cuts to the Social Security Administration: As the number of Social Security beneficiaries grows by 5.3 million between now and 2005, under last year's budget agreement funds available for the administration of Social Security will fall 23% short of what would be needed to keep up with inflation and continue providing the current level of services. At a time when many Vermonters currently have trouble obtaining the benefits they are entitled to in a timely manner, this cut will lead to even slower service at Social Security.

Do we want to maintain a balanced budget in this country, and chip away at our national debt? Yes. But we can and must do it in a way which is fair - and not on the backs of some of the weakest and most vulnerable Americans. Instead of cutting Medicare, Medicaid, Social Security and veterans benefits, we should cut wasteful defense spending, corporate welfare and tax breaks for the rich. It is my strong opinion that we can maintain a balanced budget, **and** protect the needs of all Americans.

Protecting Social Security

Social Security, established in 1935, is one of the strongest and most important federal programs in existence. Because of Social Security, millions of elderly Americans are able to live out their lives with some degree of economic security. We must do everything we can to strengthen Social Security, and make certain that it is there for all future generations.

Unfortunately, there are officials in Washington who are attempting to undermine Social Security by trying to make Americans believe that there is a "crisis" in the system, and that it is on the verge of collapse. Nothing could be further from the truth.

The fact of the matter is that the Social Security system today is extremely strong, and will remain financially solvent long into the future. This year, Social Security is running a **surplus** of \$80 billion. The Social Security Trust Fund currently contains over \$500 billion and, if we **do nothing**, would be able to pay out all benefits to every eligible man, woman and child for the next 31 years – until 2029. As our population ages, will we have to make changes in Social

Security in order to make certain that it remains financially strong in perpetuity? Yes! But we can and must do it in a way which does not hurt the average person.

Given that reality, I am vigorously opposed to proposals being discussed in Congress to cut back on the cost-of-living increases for Social Security recipients. With the 1.1 percentage point cut in the CPI advocated by some, the average Vermont widow – who today receives about \$8,000 per year – would experience an estimated \$600 per year cut by 2004. At a time when many seniors are finding it very difficult to make ends meet, a cut like that would be very wrong.

Further, I am very concerned about proposals to "privatize" the Social Security system. Many Americans may wisely choose to risk their surplus savings on the stock market. But for the tens of millions of seniors who rely on Social Security as their main source of income, privatization would literally mean betting everything on the market.

Currently, the Social Security Trust Funds are invested in the safest securities available – U.S. Treasury Bonds. Our government has never defaulted on its debt, which is backed by the full faith and credit of the United States, and I do not believe it ever will. There are no such guarantees on Wall Street, where individual investors win and lose every day. While there is no crisis in Social Security today, we should begin working now to make certain we avoid a problem

in 31 years. Let me suggest some reasonable steps that Congress should explore

Currently, Social Security is funded in an extremely regressive manner. Everyone, whether the richest person in America or a \$15,000 a year worker, pays his/her Social Security tax at exactly the same rate – 6.2%. Even more importantly, while most Vermonters

must contribute to Social Security based on their entire income, the wealthy pay Social Security taxes on only a fraction of their yearly income, because any individual's salary above \$68,400 a year is exempt from the Social Security tax.

If we are serious about saving Social Security, not raising taxes on the middle class, and not cutting back on benefits desperately needed by many senior citizens, we must make the funding of Social Security more progressive. If we take this approach, we can keep the Trust Fund solvent long into the future



Rep. Bernie Sanders discussing ways to save Social Security with Kenneth Apfel, the new Commissioner of Social Security

Keeping a Watchful Eye

Thanks to the opposition of seniors throughout the country, some dangerous proposals in Congress were defeated last year. Seniors should keep a watchful eye on them, however, as they may resurface in the near future

Cutting the CPI: The CPI, or Consumer Price Index, determines the Social Security Cost of Living Adjustments on which millions of seniors depend. With the 1.1 percentage point cut in the CPI advocated by some politicians, the average Vermont widow - who currently receives about \$8,000 in Social Security - would suffer an approximate \$600/year cut by 2004.

Home Health Co-Pay: The Senate passed legislation to charge a \$5.00 co-pay for all Medicare home health visits. For a senior recovering at home from a stroke or heart surgery, this co-pay would mean up to \$760 a year in additional costs. Fortunately this did not become law.

Medicare Eligibility Age: The Senate also voted to raise the age of Medicare eligibility from 65 to 67, denying health insurance to elderly people at exactly the time they need it most - right after retiring from their jobs. Ultimately, this proposal did not pass the House.

Phone Numbers of Interest to Vermont Seniors

- " Vermont Agency on Aging.....1-800-829-1040
- " Senior Help-Line.....1-800-642-5119
- " Social Security and Medicare.....1-800-772-1213
- " Adult Protective Services.....1-800-287-0589
- " Veterans Affairs.....1-800-827-1000
- " Consumer Assistance Program.....1-800-649-2424
- " Internal Revenue Service.....1-800-829-4477

For information and updates concerning the work I am doing in Congress as well as town meetings and conferences I will be holding in Vermont, please visit my Web Page on the Internet at: www.house.gov/bernie

U.S. Representative
Bernie Sanders

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For More Info Call 1-800-339-9834

Congress of the United States
House of Representatives
Washington, D.C. 20515

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